

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 387

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Fred Luna

AN ACT

RELATING TO UNFAIR TRADE PRACTICES; PROVIDING THAT THE SALE OF CERTAIN SERVICE CONTRACTS IN CONJUNCTION WITH THE SALE OF A MOTOR VEHICLE IS AN UNFAIR OR DECEPTIVE TRADE PRACTICE PURSUANT TO THE UNFAIR PRACTICES ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Unfair Practices Act is enacted to read:

"NEW MATERIAL SALE OF THIRD PARTY SERVICE CONTRACTS FOR MOTOR VEHICLES. - -

A. It is an unfair or deceptive trade practice for a person to issue, sell or offer to sell a third party service contract to the owner of a motor vehicle.

B. As used in this section:

(1) "motor vehicle" means a passenger motor

underscored material = new
[bracketed material] = del ete

underscored material = new
[bracketed material] = delete

1 vehicle, including an automobile, pickup truck, motorcycle or
2 van normally used for personal, family or household purposes;

3 (2) "third party service contract" means an
4 agreement, other than a warranty, that:

5 (a) is sold within six months of the
6 purchase by the owner of a motor vehicle;

7 (b) is sold for a separately stated
8 consideration or for a specific duration; and

9 (c) obligates a person, other than the
10 manufacturer or the seller, to perform the repair, replacement
11 or maintenance of the motor vehicle or indemnify another for
12 repair, replacement or maintenance; and

13 (3) "warranty" means a warranty made solely
14 by the manufacturer, importer or seller of a motor vehicle
15 without charge that is not negotiated or separated from the
16 sale of the motor vehicle and is incidental to the sale and
17 that guarantees indemnity for defective parts, mechanical or
18 electrical breakdown, labor or other remedial measures, such
19 as repair or replacement of the motor vehicle or repetition of
20 services. "